

Message Text

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ACTION COME-00

INFO OCT-01 EUR-12 EA-12 ISO-00 AGRE-00 CEA-01 CIAE-00

DODE-00 EB-08 FRB-01 H-02 INR-10 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15

STR-07 ITC-01 TRSE-00 USIA-15 SP-02 SOE-02 OMB-01

DOE-15 /129 W

-----120696 241511Z /43

P 241455Z MAR 78

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC PRIORITY 5691

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY ROME

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY TOKYO

AMEMBASSY OTTAWA

AMEMBASSY STOCKHOLM

AMEMBASSY BERN

UNCLAS SECTION 01 OF 02 BRUSSELS 05923

E.O. 11652:N/A

TAGS: ETRD, MTN

SUBJ: IDENTIFICATION OF PUBLIC PROCUREMENT ENTITIES OF

BELGIAN GOVERNMENT--ANNUAL PROCUREMENT

REF: A. STATE 66974; B. BRUSSELS 5904

1. PARA 5 REFTEL REQUESTED INFORMATION ON VALUE OF RECENT ANNUAL PROCUREMENT IN CERTAIN PRODUCT CATEGORIES. NO CENTRAL SOURCE EXISTS IN BELGIAN GOVERNMENT FOR THIS INFORMATION ALTHOUGH, IN FUTURE, STATISTICAL DATA MAY BE UNCLASSIFIED

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EASIER TO OBTAIN WITH APPLICATION OF ROYAL DECREE OF APRIL 15, 1977 (REFTEL B). OF SOME INTEREST TO DEPARTMENT MAY BE ESTIMATE CONTAINED IN FIVE YEAR PLAN (1976-1980) WHICH SHOWS FIGURE \$2,092,000,000 FOR GOVERNMENT PURCHASES OF ALL GOODS AND SERVICES IN 1975 (\$1.00BF36.78) FROM OUTSIDE (EXTRA-GOVERNMENTAL) SOURCES. IT IS EXPECTED TO RISE TO \$3.6 BILLION BY 1980.

2. TELECOMMUNICATIONS EQUIPMENT--USING THE FIVE YEAR PLAN (1976-1980) AS BASIS FOR CALCULATIONS, WE HAVE IDENTIFIED TELEGRAPH AND TELEPHONE MONOPOLY (RTT) BUDGET AS SOURCE OF MOST GOVERNMENT EXPENDITURES UNDER THIS ITEM. USING 1975 EXCHANGE RATE OF FB 36.78 TO \$1.00, RTT ANNUAL CAPITAL INVESTMENT IS APPROXIMATELY \$356,504,000. BELL TELEPHONE COMPANY PROVIDED EMBASSY WITH EARLIER YEARS FIGURES ON NON-MILITARY GOVERNMENT-OWNED OR GOVERNMENT-CONTROLLED TELECOMMUNICATIONS EQUIPMENT PURCHASES:

1974 -- \$321,000,000 (\$1.00 FB 39)
1975 -- \$427,000,000 (\$1.00 FB 36.8)
1976 -- \$402,000,000 (\$1.00 FB 38.6)

3. TRANSPORTATION EQUIPMENT--USING THE FIVE YEAR PLAN (1976-1980) AS BASIS FOR CALCULATIONS, WE ARRIVE AT FIGURE OF \$414,220,000 PER YEAR DURING THIS PERIOD (BASED ON 1975 EXCHANGE RATE OF 36.78 FB TO \$1.00. WE HAVE INCLUDED FOLLOWING AMOUNTS:

ROLLING STOCK FOR SNCB (STATE RAILROADS) -- \$146,069,000
ROLLING STOCK FOR URBAN, MASS TRANSIT,
AND LOCAL TRANSPORT -- \$ 59,728,000
RAIL ELECTRIFICATION -- \$128,728,000
SABENA EQUIPMENT -- \$ 54,377,000
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OSTEND - DOVER MONOPOLY EQUIPMENT -- \$ 10,875,000
POST OFFICE EQUIPMENT -- \$ 14,356,000

ITEM MAKES NO ALLOWANCE FOR MOTOR VEHICLE PURCHASES BY INDIVIDUAL MINISTRIES, ETC. FURTHERMORE, RAIL ELECTRIFICATION IS ONLY TANGENTIALLY RELATED TO TRANSPORT EQUIPMENT AND OTHER BUDGETED ITEMS OBVIOUSLY INCLUDE UNKNOWN PERCENTAGE OF NON-TRANSPORT RELATED EQUIPMENT.

4. SCIENTIFIC AND CONTROLLING INSTRUMENTS AND APPARATUS--ESTIMATED VALUE OF ANNUAL PROCUREMENT:

1975 -- \$48,934,000
1976 -- \$84,089,000
1977 -- \$96,038,000

THESE FIGURES ARE BASED ON TRADE EXPERTS ESTIMATE THAT 40 OF THE BELGIAN MARKET FOR SCIENTIFIC AND CONTROLLING INSTRUMENTS CONSISTS OF GOVERNMENT PURCHASES. THE 1977 FIGURE IS A PROJECTION IN WHICH IT IS ASSUMED THAT GOVERNMENT PURCHASES HAVE REMAINED QUANTITATIVELY THE SAME, AN INCREASE IN R AND D FOR INDUSTRY AND FOR POLLUTION CONTROL COMPENSATING FOR A REDUCTION FROM THE

1976 PEAK IN MEDICAL AND HOSPITAL EQUIPMENT PURCHASES,
AND ALLOWING FOR A 8 PERCENT INFLATION RATE.

4. HEAVY ELECTRICAL EQUIPMENT--METAL INDUSTRIES TRADE
ASSOCIATION (FABRIMETAL) INFORMS US THAT BELGIAN GOVERN-
MENT PER SE DOES NOT PURCHASE HEAVY ELECTRICAL EQUIPMENT.
ALL SUCH PURCHASES ARE MADE BY PUBLIC UTILITIES, I.E.
EBES, INTERCOM AND UNERG. THESE UTILITIES ARE SUBJECT TO
GOVERNMENT REGULATIONS FOR ENERGY DISTRIBUTION BUT,

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-----120724 241510Z /43

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FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC PRIORITY 5692
INFO AMEMBASSY LONDON
AMEMBASSY PARIS
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ACCORDING TO OUR SOURCES, ARE NOT RPT NOT UNDER GOVERNMENT
CONTROL ON PROCUREMENT. PURCHASES BY THE PUBLIC UTILITIES
HAVE BEEN AS FOLLOWS:

- 1975 1976 1977
- (MILLIONS OF DOLLARS,US)

TURBINES AND GENERATORS 360.5 332.9 340

TRANSFORMERS AND CIRCUIT-BREAKERS

36 KILOVOLTS AND OVER	90.8	52.6	55
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TRANSFORMERS AND CIRCUIT-BREAKERS

UNDER 36 KILOVOLTS	59.9	88.9	96
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CABLES	131.4	127.9	135
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TOTALS	642.6	602.3	626
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6. NON-CONSUMER ELECTRONICS--EMBASSY BASED MARKET SIZE
ON INFORMATION FROM 1976 INDUSTRY STUDY. ELECTRONICS
MAGAZINE STATES THAT THE BELGIAN GOVERNMENT SHARE OF
ELECTRONICS PURCHASES AVERAGES ONE-THIRD OF THE TOTAL
VALUE OF THE MARKET IN BELGIUM. INDUSTRY SOURCES SUPPORT
THIS ESTIMATE OF THE SHARE OF THE MARKET. THESE FIGURES
INCLUDE PURCHASES BY ALL GOVERNMENT ENTITIES (INCLUDING
MILITARY). 1977 FIGURES ARE PROJECTIONS.

1975 -- \$ 72 MILLION

1976 -- \$ 74 MILLION

1977 -- \$ 78 MILLION

7. COMPUTERS AND OFFICE EQUIPMENT--INDUSTRY SOURCES PROVIDE
THE FOLLOWING ESTIMATE, CAUTIONING THAT THERE IS SOME
DUPLICATION IN REPORTING OF CERTAIN ITEMS OF ELECTRONIC
EQUIPMENT IN BOTH THE ABOVE CATEGORY AND IN THE ELECTRONIC-
DATA PROCESSING CATEGORY. 1977 FIGURES ARE PROJECTIONS.

1975 -- \$ 74 MILLION

1976 -- \$ 78 MILLION

1977 -- \$ 82 MILLION

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Message Attributes

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